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USAID Assistance to Zimbabwe

Chairman Smith, Ranking Member Payne, and Members of the Subcommittee, I would like to thank you for inviting me here to speak with you today. I appreciate your continued interest in how U.S. policies and assistance programs can bring about positive change in Zimbabwe. I would also like to thank Assistant Secretary Carson for his continued commitment to this issue. Zimbabwe is a country that exemplifies how policy and development are both mutually reinforcing as well as mutually dependent. Improvements in the living conditions and economic prospects of Zimbabweans cannot be sustainably achieved without accompanying gains in the political sphere. Similarly, governments in countries overrun by disease and poverty struggle to establish stable and secure systems and provide meaningful services to their constituents.

Zimbabwe is a country of enormous potential and tremendous human capital. Many of its neighbors in southern Africa have achieved remarkable growth in terms of strengthening trade and agricultural systems. They have faced significant health threats and worked to build better health and social support systems in response. Most recently, in Zambia, we saw an excellent example of free, fair elections and a peaceful transition of power—an effort that was led and determined by the Zambian people, with support to the process from donors like USAID.

In Zimbabwe, supporting the return of a stable, representative democracy is our number one priority. During the past decade, a country that was previously the breadbasket of southern Africa, and one of the most successful examples of progress in human development in the region, deteriorated into chronic food insecurity and abysmal health and nutrition conditions. It's clear that the backsliding we've seen in Zimbabwe is directly related to poor governance. For these reasons, Zimbabwe is a tragic but notable example of the linkages between governance, food security, poverty, and health.

Zimbabwe has seen a decline in humanitarian needs across the past three years—from seven million people requiring emergency food assistance in 2009 to an anticipated need of one million people in 2012. Following the formation of the Government of National Unity and the stabilization of the economy, emergency needs were reduced as a result of better availability of agricultural inputs, stabilization of prices, and improved purchasing power. It is important to

acknowledge that while humanitarian needs have decreased rapidly, USAID may still be requested to provide humanitarian assistance for several years as the country transitions away from economic collapse. In fiscal year 2011, USAID humanitarian assistance included emergency food assistance and support for agriculture and food security, rural and urban livelihoods, protection of vulnerable populations, and water, sanitation, and hygiene activities.

USAID, in consultation with other donors and the U.S. Embassy in Harare remains diligent in ensuring that none of our assistance is diverted or misused. U.S. Government sanctions against designated individuals and entities are carefully observed in the award of contracts and grants and in the designation of beneficiaries of assistance. All of our activities are done in close consultation with Congress, State and Treasury Departments, and the National Security Council and are consistent with the U.S. Government's overall strategy and policy.

USAID is supporting the efforts that exist within the government to improve basic conditions for Zimbabwe's citizens. We do so not only to meet immediate needs, but also to demonstrate that improved governance can lead to improvements in people's daily lives. Our Mission in Harare works closely with other U.S. government agencies, UN Agencies, international donors, private voluntary organizations, and local civil society organizations to ensure that our work in food security and health reach their intended beneficiaries without political manipulation or favoritism. We work assiduously to ensure that we follow the letter and spirit of legislative restrictions on our assistance. At the same time, and in harmony with those restrictions, we seek partnerships to strengthen local organizations that are providing key services and support to the local population. Our work with increasing the capacity of local civil society organizations is especially important to this goal; these organizations contribute to USAID program implementation and strengthen the sustainability of our efforts. In addition to funding for programs, USAID provides these organizations with training in business skills, strategy formulation and implementation, and advocacy.

This approach sets the foundation for Zimbabwe, when it eventually achieves a truly representative system, to be able to reclaim its previous successes. In agriculture and health, as well as other sectors such as education and natural resource management, close collaboration between an active and empowered civil society and a just and democratic government will bring real benefits for the people of Zimbabwe.

We recently conducted and are in the process of finalizing a democracy and governance assessment that highlights impediments and opportunities for us to promote democratic institutions in Zimbabwe. We also recently began the process of developing a new USAID country strategy for Zimbabwe. In this process, USAID will work in collaboration with other agencies and stakeholders in the U.S. government to formulate a multi-year, results-oriented country development cooperation strategy. To the extent possible within the U.S. policy framework and legal restrictions, the strategy will also be aligned with the host country's development priorities. The strategy will focus our investment in key areas that contribute to Zimbabwe's overall stability and prosperity.

As some in the government endeavor to create conditions for peaceful and democratic processes, they merit our continued assistance. One of the most critical legal reform efforts that USAID

supports is the Parliamentary-led constitution making process. USAID has supported the Parliamentary Select Committee and Zimbabwean civil society's role in soliciting public input and creating debate on issues of national interest, particularly in relation to the formulation of the new constitution. This provides an important avenue for effective U.S. engagement with the government reformers as well as an opportunity to encourage peaceful political participation among youth.

U.S. support will continue to be flexible and responsive, emphasizing Zimbabwean efforts to establish participatory processes and capacity development of reform-orientated institutions, both at the national and local levels. Similarly, continued support for the enactment of reforms to enable the operations of independent Zimbabwean media institutions that can provide the general public with objective information and the opportunity to participate in national debates continues to be essential. Progress on the granting of broadcast licenses to non-government entities has been slow. Recently, two independent newspapers gained licenses in Zimbabwe; while distribution coverage and the cost of such newspapers restrict their reach, they are credible and independent alternative sources of information for the citizenry.

Our work to support democracy and governance in Zimbabwe is a critical stand-alone objective of our program as well as the foundation for our work in other sectors. Under Administrator Shah, USAID as a whole is reemphasizing the importance of integrating democracy, human rights, and governance, particularly in the context of the three presidential initiatives being implemented worldwide: Feed the Future, Global Health, and Global Climate Change. The relationship between democracy and governance and these three initiatives is one of convergence and potential partnerships. After all, for democratic systems to thrive, citizens must feel that their political system provides tangible benefits to themselves and their families between elections. At the same time, a democratic political system is critical to sustaining and deepening sectoral program accomplishments. Much of the work we do in improving food security, strengthening health systems, and addressing climate change involves key actors and principles of democracy, rights and governance. These include ensuring transparency and accountability in government ministries, strengthening the decision-making ability of institutions such as local governments and parliamentary oversight committees, building the capacity of civil society groups to represent and advocate for reforms, and ensuring that the poorest and most vulnerable have access to resources and opportunities.

USAID's concerted efforts have assisted reform-minded elements of the government in carrying out institutional reforms critical for moving the country towards democracy. For example, the Parliamentary committees are now regularly holding public hearings on key pieces of legislation including those addressing human rights and electoral processes and efforts to revise the Parliamentary standing rules now allow the Prime Minister a question and answer time for the first time.

In the health sector, while HIV rates remains a serious concern in Zimbabwe, adult prevalence rates have decreased considerably—from 25 percent in 1999 to 14 percent in 2009. The United States provides substantial support to the HIV response through the President's Emergency Plan for AIDs Relief (PEPFAR). U.S. assistance supports 80,000 HIV-positive individuals with life-saving antiretroviral therapy—representing about one-quarter of all clients in the country.

Through PEPFAR, USAID's implementing partners support HIV testing and counseling for over 350,000 clients per year (more than half of all those tested in Zimbabwe) and in two key areas of HIV prevention—condom distribution and male circumcision—USAID through PEPFAR is supporting nearly all of the services in country. USAID makes sure its efforts are linked and mutually supportive such as integrating reproductive health with HIV prevention – reaching more than 250,000 women with testing and medication to reduce the risk of mother to child transmissions. Our health assistance program provides education, social, and medical support for 60,000 orphans and vulnerable children. Beyond addressing the HIV epidemic, USAID focuses on strengthening maternal, newborn and child health services, increasing access to voluntary family planning services, and controlling tuberculosis through better case detection, service delivery, and management capacity. In addition, USAID continues to support activities that improve access to clean water and mitigate the risk of waterborne diseases, such as cholera, as well as promote hygiene education. These programs benefit over one million people in Zimbabwe.

Zimbabwe was once the hub of agricultural technical capacity. With the virtual collapse of the once thriving commercial farming sector, smallholder farmers and small-scale traders and processors require unique assistance to enable them to gain enhanced livelihoods and produce surplus, quality crops for domestic and regional consumption. There is a real opportunity to revive and enhance the country's agricultural potential through seed breeding, production technologies, and improved trade systems, all targeted to the smallholder farmer and rural households. U.S. agriculture programs in Zimbabwe are aligned with the priorities and principles of the Feed the Future Initiative. USAID uses both Economic Support Funds and Food for Peace Title II resources to increase agricultural production processing and marketing; enhance the competitiveness of key value chains to spur rural development; achieve greater food security and nutrition outcomes; and increase rural incomes.

This year, for example, 120,000 rural households were transferred from government-run programs (that were susceptible to partisan influence) offering subsidized food and agricultural inputs to independent programs that helped them to become sustainably food secure and economically independent. In addition, we have already engaged 35,000 households in drought-prone areas to develop more than 800 of their own projects to benefit their local communities' food security. USAID also is engaging the Government of Zimbabwe on several important food security policy and strategy discussions.

However there is an urgent need for Zimbabwe to address a number of measures to improve the business-enabling environment and attract private sector investment in the agriculture sector and beyond. Investor confidence, from the micro-entrepreneur to the large corporation, depends on the nation's commitment to rule of law and good governance. As conditions permit, USAID can focus on economic recovery, encourage more domestic and foreign direct investment and trade, and increase the skills of small businesses, and build capacity among business associations to support the growth of micro, small and medium sized enterprises. The Zimbabwean economy has stabilized and experienced growth, but further reforms are necessary to sustain this growth. USAID has recently begun funding a program to strengthen human and institutional capacity for economic policy analysis, and rebuild Zimbabwe's statistical foundations for economic analysis.

Economic recovery must be broad-based and result in increased employment opportunities for Zimbabweans, particularly marginalized groups such as women and youth.

As the economic recovery deepens, issues of environmental and natural resource management and climate change become critical to the achievement of sustainable growth. Domestic and trans-boundary concerns include water resources management in the drought-prone southern African region, soil erosion, loss of forest cover, and the seemingly intractable problem of fossil fuel power generation. While USAID is not working directly in or investing in these areas, with respect to policy restrictions, the bilateral and southern Africa Missions along with other USG agencies use diplomacy and development policy engagement within Zimbabwe and the region to highlight environmental best practices that would lead to a sustainable growth path. In order to strengthen livelihoods and increase resiliency, particularly in drought-prone communities, USAID supports agriculture and food security activities that promoted crop diversification and improved farmers' access to seeds and fertilizer.

There is no doubt that we face significant constraints and a difficult operating environment in Zimbabwe. Operating in a transitioning state has been especially challenging for the civil society organizations with which we work. In the process of trying to improve health, livelihoods, freedom, and human rights for their fellow Zimbabweans, they face harassment and threats from the very government that should be their ally. Change must come from within the country, and it will not happen overnight. At the same time, U.S. support has been able to make considerable progress in certain areas.

In summary, we remain committed to the people of Zimbabwe as well as the goal of a democratic, responsive, and accountable government that reflects the will of Zimbabwe's people. Thank you for the opportunity to speak with you today. I welcome your questions and look forward to continuing our discussion on this important topic.